



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1068/P1

KP:wlj

DOA:.....Martin, BB0137 - Little cigars

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

GENERAL TAXATION

Little cigars

This bill taxes little cigars at the same rate as the excise tax imposed on cigarettes. Under current law, all cigars are taxed at the rate of 71 percent of the manufacturer's established list price, limited to 50 cents per cigar. Under the bill, little cigars are taxed at the rate of 126 mills per little cigar, regardless of weight. The bill defines "little cigar" to mean a cigar that has an integrated cellulose acetate filter and is wrapped in any substance containing tobacco.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 139.44 (4) of the statutes is amended to read:

139.44 (4) Any person who refuses to permit the examination or inspection authorized in s. 139.39 (2) or 139.83 (1) may be fined not more than \$500 or imprisoned not more than 90 days or both. Such refusal shall be cause for immediate suspension or revocation of permit by the secretary.

SECTION 2. 139.75 (4t) of the statutes is created to read:

139.75 (4t) "Little cigar" means a cigar that has an integrated cellulose acetate filter and is wrapped in a substance containing tobacco.

BILL**SECTION 3**

SECTION 3. 139.75 (12) of the statutes is amended to read:

139.75 (12) “Tobacco products” means cigars; little cigars; pipe tobacco; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready-rubbed and other smoking tobacco; snuff, including moist snuff; snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco and other kinds and forms of tobacco prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; but “tobacco products” does not include cigarettes, as defined under s. 139.30 (1m).

SECTION 4. 139.76 (1) of the statutes is amended to read:

139.76 (1) Except as provided in ~~sub.~~ subs. (1p) and (1t), an excise tax is imposed upon the sale, offering or exposing for sale, possession with intent to sell or removal for consumption or sale or other disposition for any purpose of tobacco products by any person engaged as a distributor of them at the rate, for tobacco products, not including moist snuff, ~~vapor products~~, cigars, little cigars, and pipe tobacco, of 71 percent of the manufacturer’s established list price to distributors without diminution by volume or other discounts on domestic products and, for moist snuff, at the rate of 100 percent of the manufacturer’s established list price to distributors without diminution by volume or other discounts on domestic products. On tobacco products imported from another country, not including moist snuff, ~~vapor products~~, cigars, little cigars, and pipe tobacco, the rate of tax is 71 percent of the amount obtained by adding the manufacturer’s list price to the federal tax, duties and transportation costs to the United States. On moist snuff imported from another country, the rate of the tax is 100 percent of the amount obtained by adding

BILL**SECTION 4**

the manufacturer's list price to the federal tax, duties, and transportation costs to the United States. Except as provided in sub. (1p), the tax attaches at the time the tobacco products are received by the distributor in this state. The tax shall be passed on to the ultimate consumer of the tobacco products. All tobacco products received in this state for sale or distribution within this state, except tobacco products actually sold as provided in sub. (2), shall be subject to such tax.

SECTION 5. 139.76 (1p) of the statutes is amended to read:

139.76 (1p) An excise tax is imposed upon the sale, offering or exposing for sale, possession with intent to sell, or removal for consumption or sale or other disposition for any purpose of cigars, not including little cigars, and pipe tobacco by any person engaged as a distributor or remote retail seller of them at the rate of 71 percent of the actual cost to the distributor or remote retail seller. The tax imposed under this subsection on cigars, except little cigars, shall not exceed an amount equal to 50 cents for each cigar. The tax attaches at the time the cigars or pipe tobacco are received by the distributor in this state, except that for cigars and pipe tobacco sold by a remote retail seller, the tax attaches at the time the remote retail seller makes a remote retail sale of cigars or pipe tobacco to a consumer. The tax shall be passed on to the ultimate consumer of the cigars and pipe tobacco. All cigars, not including little cigars, and pipe tobacco received in this state for sale or distribution within this state, except tobacco products actually sold as provided in sub. (2), shall be subject to such tax.

SECTION 6. 139.76 (1t) of the statutes is created to read:

139.76 (1t) An excise tax is imposed upon the sale, offering or exposing for sale, possession with intent to sell, or removal for consumption or sale or other

BILL**SECTION 6**

disposition for any purpose of little cigars by any person engaged as a distributor or remote retail seller of them at the rate of 126 mills on each little cigar, regardless of weight. The tax attaches at the time the little cigars are received by the distributor in this state, except that for little cigars sold by a remote retail seller, the tax attaches at the time the remote retail seller makes a remote retail sale of little cigars to a consumer. The tax shall be passed on to the ultimate consumer of the little cigars. All little cigars received in this state for sale or distribution within this state, except those actually sold as provided in sub. (2), shall be subject to such tax. To evidence payment of the tax imposed under this subsection on little cigars, the department shall provide stamps. A person who has paid the tax shall affix stamps of the proper denomination to each package in which little cigars are packed, prior to the first sale within this state. Section 139.32, as it applies to the tax under s. 139.31, applies to the tax imposed under this subsection on little cigars.

SECTION 7. 139.78 (1) of the statutes is amended to read:

139.78 (1) Except as provided in ~~sub. subs.~~ (1p) and (1t), a tax is imposed upon the use or storage by consumers of tobacco products in this state at the rate, for tobacco products, not including moist snuff, ~~vaper products~~, cigars, little cigars, and pipe tobacco, of 71 percent of the cost of the tobacco products and, for moist snuff, at the rate of 100 percent of the manufacturer's established list price to distributors without diminution by volume or other discounts on domestic products. The tax imposed under this subsection on cigars, except little cigars, shall not exceed an amount equal to 50 cents for each cigar. The tax does not apply if the tax imposed by s. 139.76 (1) on the tobacco products has been paid or if the tobacco products are exempt from the tobacco products tax under s. 139.76 (2).

BILL**SECTION 8**

SECTION 8. 139.78 (1p) of the statutes is amended to read:

139.78 (1p) A tax is imposed upon the use or storage by consumers of cigars, not including little cigars, and pipe tobacco in this state at the rate and basis under s. 139.76 (1p). The tax does not apply if the tax imposed by s. 139.76 (1p) on the cigars or pipe tobacco has been paid or if the cigars or pipe tobacco are exempt from the tax under s. 139.76 (2).

SECTION 9. 139.78 (1t) of the statutes is created to read:

139.78 (1t) A tax is imposed and levied upon the use or storage of little cigars in this state by any person for any purpose. The tax is levied and shall be collected at the same rate as provided for in s. 139.76 (1t). The tax under this subsection does not apply if the tax imposed by s. 139.76 (1t) has been paid or if the little cigars are exempt from tax under s. 139.76 (2).

SECTION 10. 139.83 of the statutes is renumbered 139.83 (1).

SECTION 11. 139.83 (2) of the statutes is created to read:

139.83 (2) Sections 139.315, 139.32, 139.321, 139.322, 139.34, 139.35, 139.36, 139.362, 139.363, 139.38, 139.395, 139.41, 139.42, 139.43, and 139.44 (8), as they apply to the taxes under subch. II, apply to the administration and enforcement of this subchapter for little cigars.

SECTION 9437. Effective dates; Revenue.

(1) LITTLE CIGARS. The treatment of ss. 139.44 (4), 139.75 (4t) and (12), 139.76 (1), (1p), and (1t), and 139.78 (1), (1p), and (1t), the renumbering of s. 139.83, and the creation of s. 139.83 (2) take effect on the first day of the 3rd month beginning after publication.

(END)